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IDENTIFICATION OF AREAS IN WHICH TECHNICAL COOPERATION SHOULD BE STRENGTHENED

Report by the UNCTAD secretariat

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INTRODUCTION[1]

1. A fundamental objective of technical cooperation in the international trade area should be to facilitate increased and more effective participation of developing countries, as well as of economies in transition, in the new international trading system. The extent of such participation will be influenced not only by the supply conditions in each country, but also by the evolution of the international trading system under the impact of such major factors as globalization and liberalization in the world economy. In this regard, the implementation of the Uruguay Round Agreements forms the core of a new, more open and rule-based trading system, whereas regional trade-related initiatives can also be an important factor.

2. In the context of the terms of reference of the Ad Hoc Working Group, the identification of areas for strengthened technical cooperation has logically to take as a point of departure the results and implications of the Uruguay Round agreements.[2] The provisions of these agreements have substantial development implications; in general, the scope of autonomy of individual countries in undertaking trade-related policy measures is restricted, although in some instances these agreements offer to developing countries, and in several cases to economies in transition, a measured degree of flexibility in coping with the respective obligations. The basic thrust of these agreements is that the general and detailed implementation of rights and obligations is the best means to move forward the economic development process through international trade in goods, services and technology.

3. Participation in the international trading system encompasses a two-pronged process: first, increased participation in international trade itself through increased exports and imports, with the consequent improvements in levels of investment, employment, and general economic conditions; second, increased and more effective participation in the multilateral or regional frameworks for international trade. These processes call for technical cooperation in four broad priority areas:

(a) enhancing export supply capabilities;
(b) improving national policy-making, including through measures aimed at making full use of the new trading opportunities and of the new possibilities for action to defend the country's interests and rights;
(c) building institutional and human resource capacities; and
(d) strengthening participation in the multilateral and regional frameworks and negotiations processes.

4. In undertaking technical cooperation, the requirements of countries concerned are not uniform. An important aspect, as has been already identified by the Ad Hoc Working Group at its first session, is the need to assist the least developed countries, as well as net food-importing developing countries to confront their specific problems of adjustment to the post-Uruguay Round trading system.

5. UNCTAD's integrated approach to trade, environment, services, technology and investment issues gives it a unique role in responding to, and in the design of, technical cooperation in the area of international trade in a way that brings into focus the various development dimensions and policy options. UNCTAD's technical assistance can be mobilized to support individual countries or groups of countries in the identification of national interests and policy options in multilateral trade negotiations, and in building national capacities aimed at maximizing the gains from trade liberalization within their general economic and development policies and strategies. Other international organizations,

particularly the WTO and ITC, also provide technical cooperation as regards international trade, for which, as defined below, complementarities and synergies should be sought.

6. The question of the expansion of export capabilities and improvement of the investment environment, as well as the technical cooperation requirements in those areas, has been dealt with extensively by the previous Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, as reflected in its Final Report to the Trade and Development Board.[3] Particularly important here is the role of the private sector in the developing and transition economies. In particular, regard might be given to the possibilities of developing complementarities among technical assistance activities to expand trade and those related to enterprise development and privatization. However, this report does not consider the technical cooperation requirements to improve the day to day operations of enterprises, nor practical measures to facilitate their trade and cut down transaction costs, as these issues are extensively dealt with in other UNCTAD bodies.

7. The present report concentrates on technical cooperation requirements in the new international trading context in terms of adapting national policies and reinforcing institutional structures, especially human resources and capacity building, needed for the effective participation of developing countries and economies in transition in the evolving international trading system. While the report reflects a number of UNCTAD technical cooperation activities, its presentation of technical cooperation requirements is not only in terms of UNCTAD's own programmes, but rather sets out general technical cooperation requirements to cope with the identified problems in this area. Conversely, broader technical cooperation programmes of UNCTAD are described in other documentation, particularly in the context of the Working Party on the Medium-term Plan and the Programme Budget.[4]

I. SPECIFIC AREAS OF TECHNICAL COOPERATION

A. National policy-making capacity

8. National trade policies become a crucial factor in translating new trading opportunities into concrete benefits. Technical cooperation under this heading should be focused, in accordance with the terms of reference of the Ad Hoc Working Group, on the following main areas: (a) market access in goods and services and (b) implications of the new rules. Within these areas, a special emphasis should also be given to the problems of least developed countries.

(a) Market access in goods and services

9. As already seen from earlier findings[5] which were presented to the first session of the Ad Hoc Working Group, in respect of the Agreements on Agriculture and on Textiles and Clothing, new market opportunities in the area of trade in goods, particularly for the potential expansion of exports of developing countries and economies in transition, may be significant. Technical cooperation for the expansion of trading opportunities for developing countries has been examined in the previous Ad-hoc Working Group, including on issues related to export promotion and marketing.[6]

10. On 1 January 1995, with the entry into force of the WTO Agreement, the first stage of tariff reductions agreed during the Uruguay Round was implemented. Thus, the questions arise: what do these tariff reductions mean, particularly for developing and transition economy countries? What are the products affected? And how can the opportunities be exploited? The same questions should be

answered with regard to the existing or emerging trading opportunities flowing from the regional trading arrangements. In addition, many developing countries will be facing a problem of erosion of preferential tariff margins under the GSP and other preferential arrangements, and major changes in various schemes. All these are issues that can best be addressed at the individual country level; hence the need for technical assistance to be refocused and oriented to individual countries and, in certain cases, perhaps at the sub-regional level.

11. Technical cooperation in the area of market access might start, on the one hand, from the tariff reductions in manufactured products and, on the other hand, from the specificities of the agreements on agriculture and on textiles and clothing. Cooperation could be oriented towards the following activities: first, identification of products and market access conditions, in terms of customs tariffs, in the light of actual and potential export interests of individual countries - or groups of countries (the sub-regional level); second, following closely the operation of the mechanisms set up to put into effect the relevant agreements in agricultural products and in textiles and clothing, with a view to anticipating new market opportunities (for instance, in those agricultural products subject to minimum access commitments, and in those textile and clothing products included in each integration phase, including the use of transitional safeguards in both agreements); third, providing assistance in connection with the problems faced by the countries which are not members of the WTO.

12. One of the by-products of UNCTAD's previous technical assistance programmes is a computer software prepared for the quantitative analysis of market access conditions, which could be adapted, along with UNCTAD's data base on trade and trade control measures (TRAINS), to process information on market access conditions for particular products of interest to individual countries. At the request of a number of developing countries, UNCTAD has already worked intensively on these issues, preparing documentation with quantitative analyses and organizing seminars and workshops in capitals, including with private sector participation. Collaboration arrangements are already in place with institutions such as the Interamerican Institute for Cooperation in Agriculture (IICA) and the International Textiles and Clothing Bureau (ITCB). These activities need to be continued and intensified, and new approaches to finance them should be explored, involving contributions from beneficiary countries themselves, cooperation among developing countries, and private sector participation.

13. As for technical cooperation on trade in services, there is need to assist countries in identifying and pursuing new export opportunities in different services sectors, including through access to information networks and temporary movement of natural persons as services suppliers. Many countries also need assistance in preparing for on-going and future negotiations under GATS, as well as strengthening their policy-making capacities in this field (through needs-tailored programmes such as CAPAS[7]). This will involve technical cooperation in the following specific areas:

- effective implementation of GATS Articles IV ("Increasing Participation of Developing Countries") and XIX ("Negotiation of Specific Commitments");
- support in the negotiations on outstanding services sectors (e.g. maritime transport and telecommunications) and in the future negotiations under the GATS on safeguards, subsidies and government procurement;
- identification and making use of the opportunities provided by GATS, as well as studying the feasibility of adapting GSP schemes to trade in services;
- preparation for negotiation on services in various regional contexts;
- identification of policy options for dynamizing the role of producer

services to raise the level of competitiveness of national economies, improve employment opportunities and increase the knowledge-intensity of human capital;

- strengthening the capacities of developing countries in the services sectors and identification of the opportunities for their services exports.

(b) Implications of the new rules

14. It has been widely acknowledged that after the Uruguay Round a new rule-based trading system has emerged, with a strengthened legal and contractual basis. Against this background the following three subjects require attention: (a) strengthening participation in the multilateral trading system and multilateral negotiations; and adapting national legislation to the new multilateral rules and disciplines; (b) creating or strengthening a trade policy community comprising, in particular the private sector and its organizations, legal and consultative firms, consumer organizations, academic and research institutions, and integrating it into national trade policy formulation; and (c) improving governmental mechanisms for trade policy coordination.

15. The variety, multiplicity and complexity of the agreements that form part of the WTO Agreement pose already substantial problems to highly developed countries and almost insurmountable ones for developing countries and transition economies. In particular, the first year of the WTO's existence demonstrates that there will be a frequent use of its improved dispute settlement mechanism. Developing countries would both have to defend their respective policies and pursue their WTO rights in the dispute settlement process. In this area, technical cooperation should focus on each individual country's needs and objectives and be geared to their specificity.

B. Institutional capacity building and human resource development

16. The need for strengthening and improving institutions and creating a variety of skills in developing countries and economies in transition has become even more urgent given the growing complexity of multilateral trade agreements and their scope, not to mention the difficulties associated with domestic economic and trade reforms. Three areas, as in particular mentioned above, stand out as core activities: (a) trade supporting institutional structures; (b) training; and (c) management of trade and trade-policy related information and data.

(a) Trade supporting institutional structures

17. The most pressing need arises from the implementation of the various Uruguay Round agreements, especially with regard to the WTO notification requirements. Apart from substantive obligations and rights, there are enormous procedural requirements facing the WTO members. Thus, a review of notification requirements under the WTO Agreements suggest that there may be over 160 such requirements on a regular or ad hoc basis[8]. In some cases, the implementation of notification obligations may affect substantive rights of a WTO member, including the use of provisions on differential and more favourable treatment by a developing country member. WTO members will also undergo periodic trade policy reviews which represent an additional institutional burden, especially in the case of developing countries. Active participation in the WTO activities will also require constant involvement in the work of WTO councils, committees and working parties, as well as in the on-going negotiations on some specific issues (e.g. on services sectors). Many developing countries will thus need to set up administrative structures to provide support for the implementation of

the WTO agreements. For example, the establishment of enquiry points and publication of laws and regulations to meet transparency obligations would imply new structures or adaptation of existing institutional machinery.

18. Furthermore, on-going and future trade negotiations and the ever-widening areas of domestic policy covered by multilateral trade rules make it imperative for developing countries and economies in transition to create national coordinating institutions that, on the one hand, respond to the new international environment, and on the other, provide channels for the participation of all interested domestic sectors and interest groups in the formulation of national trade policy with the aim of defending multilateral trade rights.

(b) Training

19. The rapidly changing patterns of production and trade influenced by the phenomena of globalization and liberalization underscore the need for training and human resource development to adequately respond to these changes. Technical cooperation activities in trade and trade-related areas should build on experience accumulated in this field through such programmes as, for example, TRAINFORTRADE, which is an innovative programme designed by UNCTAD in cooperation with ITC, and complements the latter's activities. TRAINFORTRADE encompasses a range of training programmes in the area of trade policy and international commercial diplomacy aimed at middle and senior level personnel in the public and private sectors. It also addresses trade needs and trade practices, including in such areas as commodities, trade financing, risk management, investment and transnational corporations. This programme is based on the principles that the challenge lies not only in training a critical mass of highly qualified negotiators and trade policy analysts, but also of development of training institutions and forming national trainers. The latter is a sine qua non for the sustainability of training capacities and informed policy-making. This calls for and encourages close cooperation among all parties concerned including training institutions, policy-makers and business community.

20. Technical cooperation should also aim at enhancing the capacity of resource-deficient countries to effectively use the machinery provided by the WTO dispute settlement mechanism to safeguard their rights. In a broader sense, the objective is to strengthen national academic and research institutions which can conduct policy analysis and form experts on a continuous basis.

(c) Management of trade and trade-related information and data

21. An essential element in human resource development in the trade and trade-related sectors is the capacity to cope with increasing information and data flows for the purposes of supporting trade negotiations, facilitating and increasing efficiency in conducting international trade and identifying markets. Technical cooperation in this area must aim at increasing access to and use of new information technology and designing efficient and effective trade data and information systems to upgrade largely unmet needs of developing countries. Technical assistance programmes such as ASYCUDA, Trade Analysis and Information Systems (TRAINS), Global Trade Point Network (GTPnet), Software for Market Access and Restrictions to Trade (SMART) undertaken by UNCTAD, as well as ITC's programmes of trade information for enterprises, have all positively contributed to enhance the capacity to trade and the participation of the developing countries in the international trading system.

C. Participation in the multilateral and regional frameworks and negotiations processes

22. Technical cooperation under this heading may include three components: (a) support for countries in their accession to the WTO; (b) current and future negotiations and (c) new and emerging issues.

(a) Support of countries in accession to the WTO

23. Accession to the WTO is an important initial step in the integration of individual countries into the international trading system, in that it allows them the benefit of multilateral rights and the possibility of defending their trade interests in a multilateral legal framework. On the other hand, accession to the WTO will require adaptation of these countries' foreign trade legislation, regulations and practices to the multilateral obligations under the WTO Agreements, as well as the negotiation of concessions with their trading partners in order to ensure more liberal domestic market access to foreign goods and services. This is a challenging and difficult task involving huge administrative and substantive work. However, without acceding to the WTO, countries face a risk of marginalization in the world economy and international trade. Efforts should be undertaken to establish an effective governmental machinery to support the accession negotiations, with adequate authority to coordinate this process among various governmental agencies, as well as with the legislature and the private sector. It is also important to be able to meet technical and logistical requirements such as processing a substantial amount of documentation, including translating relevant legislation into WTO official languages. The complexity and sensitivity of the WTO accession negotiations presents a major challenge both for the acceding countries and the WTO itself.

24. The following areas could be identified as priorities for technical cooperation to support the WTO accession process of individual countries:

- assistance in training of national officials to increase their competence in all substantive matters under accession negotiations;
- identification of different options and scenarios for accession negotiations;
- identification of the modifications required in the national legislation to be compatible with the WTO Agreements;
- identification of priority export sectors in goods and services, as well as their market access opportunities;
- studies of aspects of the foreign trade regime of the main trading partners of an acceding country, including those which would have to be modified when a country in question attains the WTO status;
- assistance in the establishment of the necessary institutional infrastructure for the conduct and coordination of multilateral trade negotiations and data management systems to support such negotiations;
- ongoing assistance, upon request, throughout the negotiating process, including advisory missions, advice on the preparation of a memorandum on the foreign trade regime, etc.

(b) Current and future negotiations

25. An important "built-in" negotiating agenda was inscribed in the Final Act of the Uruguay Round, due to start about three to five years after the date of entry into force of the WTO Agreement (1 January 1995), pursuant to different agreements. On the other hand, negotiations are still being pursued, for instance, on certain services sectors (e.g., basic telecommunications and maritime transport). Furthermore, the process of implementation of the different

agreements, which entails the establishment and functioning of various committees and councils, the process of notifications -and their examination-, involves a certain degree of negotiating activity.[9] Here the highest degree of participation is in the best interests of the developing countries and economies in transition. In addition, it is likely that expanded technical assistance from UNCTAD will be sought by developing countries as the work of the WTO Committee on Trade and Environment will be more active and culminating before the Singapore Ministerial Conference.

26. UNCTAD has already established a comprehensive technical assistance programme on trade, environment and development. Activities undertaken under the programme include policy analysis carried out through country-specific and thematic studies, dissemination of information and training. The programme consists of a number of projects, which are -as far as appropriate- managed as a whole and which are closely linked with the work undertaken at the intergovernmental level. The programme is supported by UNDP, UNEP, IDRC, the Governments of Italy and the Netherlands, and other donors. The results of the policy-oriented analysis and other activities carried out under the programme are disseminated through workshops and seminars, publications and through secretariat reports to the intergovernmental machinery.[10]

27. The analysis and debate undertaken so far in the WTO shows the important contribution of UNCTAD's conceptual and empirical work in clarifying the issues and in bringing the concerns of developing countries to the fore. This has in particular been the case in the deliberations undertaken so far on the effects of environmental measures on market access for developing countries; eco-labelling; competitiveness; and the issue of transparency of environmental measures which have significant trade effects.

28. In the future, technical assistance projects could be oriented towards empirical studies that can provide a basis for the discussions that are taking place at the WTO, in particular in the context of the new trading opportunities. For example, developing countries are concerned that subsidies, particularly agricultural subsidies, could have a negative effects on the environment as well as on their trading opportunities. Similarly there is concern that the TRIPs Agreement may raise difficulties in accessing environmentally sound technologies, or that there may be need for stronger measures to prevent domestically prohibited goods from being exported to them. There are a number of other concerns which have been voiced, and need empirical and analytical underpinning. Future technical assistance programs in this area could be oriented towards examining some of these issues.

(c) New and emerging issues

29. Globalization and liberalization of economic activity are the prevailing trends in international economic relations. As governments deregulate and corporations diversify production processes in different countries, new issues arise from the fact that domestic economic and other policies have an increasingly direct impact on international trade and competitiveness. Thus, environmental regulations, anti-trust and competition policies, restrictive business practices regulations, investment policy, labour standards, and even political stability and poverty alleviation policies, among others, are issues that have emerged in the international debate.[11]

30. These issues are, in some cases, intimately interrelated and, in some other cases, already partially covered by the existing multilateral trade agreements. They relate to the harmonization of domestic policies, the coherence of global economic policy objectives, and the conflicts that appear between

multilateral disciplines, essentially those resulting from the Uruguay Round agreements, and domestic policy objectives. However, the inclusion of all of these issues in the multilateral negotiating context is still to be decided. Developing countries have consistently resisted the linkage of some of these issues (e.g. labour standards) with the framework of multilateral trade rules and disciplines, because of concern with the potential of these issues to give rise to a new generation of protectionist measures and trade remedies. Nevertheless, it would be in their interest to be fully prepared to participate effectively in the international debate on these issues in whatever fora are deemed appropriate, and to be able to defend their development concerns.

31. The Cartagena Commitment identified policy analysis and research, intergovernmental deliberation, consensus-building, and technical cooperation as major functions of UNCTAD, especially with regard to the identification and treatment of key emerging issues of trade and development.[12] Furthermore, the Trade and Development Board has also decided that UNCTAD should continue its background work and consensus building on trade issues before they become the subject of negotiations in other fora. Thus, with its expertise and analytical capabilities, UNCTAD is particularly suited to assist developing countries and economies in transition, including through its technical cooperation activities. It is expected that the forthcoming UNCTAD IX will identify more precisely the role and tasks of UNCTAD with regard to the new and emerging trade-related issues, particularly on trade and investment, and trade and competition policy.

II. DELIVERY OF TECHNICAL COOPERATION

A. Modalities

32. There is a need for a revised focus to the delivery of technical cooperation in the light of the Uruguay Round results. The UNCTAD technical cooperation programme to assist developing countries' participation in the Uruguay Round negotiations was managed by UNCTAD on a global basis, including a set of interrelated actions at the subregional, regional and interregional levels. This approach proved particularly effective, since it allowed for the identification of common interests among different developing countries and enabled them also to appreciate more fully the range of policy issues which arose from the attempt to formulate multilateral rules, particularly, on the new issues. However, at present, when countries are seeking to take advantage of opportunities arising from the Uruguay Round negotiations, it would seem appropriate to focus more attention to technical cooperation tailored to specific needs of individual countries, especially in policy areas with regard to the implementation of the Uruguay Round agreements, accessions of new countries to the WTO, and related institutional capacity building. In this context, country impact analysis of the Agreements becomes a necessary tool for assessing a country's strength and weaknesses in adjusting to the new international trading system and making use of the new trading opportunities.

33. Among technical cooperation instruments which have proved their efficiency are the following: (a) preparation of studies, including quantitative and qualitative analyses; (b) brainstorming sessions on specific issues; (c) special advisory missions to individual countries; (d) organization of seminars and workshops at the national, sub-regional, regional and inter-regional level; (e) dissemination of trade information through EDI and CD Roms; (f) capacity-building of national institutions of developing countries; (g) training programmes in capitals and in Geneva; and (h) on-going, day-to-day work with delegations in Geneva and senior officials in capitals.

34. For example, the modality of brainstorming sessions was especially

effective at the initial stages of the Uruguay Round, when some of the issues in its agenda required in-depth analysis and research, and the opportunity for discussion and exchange of views among small groups of experts and/or government representatives on an informal basis. This mechanism has the advantage of being cost effective. This approach exercised at a global and regional levels would be particularly suited in the case of new issues coming up in the trade agenda.

35. Advisory missions are normally undertaken upon request of governments, and they are most effective at the national level. They involve mostly one or a maximum of two officials or international consultants, and they are done through one-to-one interaction between the expert(s) from the organization and individual government officials. They may also involve interaction with government officials in the framework of national inter-agency bodies. These missions may also involve the delivery of specific technical advice on detailed policy issues. For example, this could relate to the preparation of a national study on the role of services in the development process of the country concerned, including the participation of services trade in its external sector; or advice on the drafting of the relevant legislation pursuant to the implementation of a multilateral trade agreement under the WTO; or analyses of the implementation of the trade policies and regulations of trading partners.

36. Seminars and workshops are organized by the UNCTAD secretariat, either as part of on-going national or regional programmes, or as stand-alone events, at the request of governments directly from capitals or through their delegations in Geneva. They may be held at the national, sub-regional, regional or inter-regional levels. They may be held in selected capitals, such as those where UN Centres exist -i.e., ECLAC in Santiago, ESCAP in Bangkok, etc., or where Governments or private institutions offer to host such events, or in Geneva and its near surroundings. Some of TRAINFORTRADE training packages (e.g. on international commercial diplomacy or trade policy) are also relevant in this regard. A number of training activities are undertaken by the WTO such as, for example regular Trade Policy Courses in Geneva for the trade officials from developing countries and economies in transition.

B. Funding and related issues

37. Financial resources for technical cooperation in the trade field, on a multilateral basis, have become increasingly scarce. The leading sources have traditionally been the regional and interregional programmes of UNDP. As an example, it can be recalled that the UNDP/UNCTAD MTN Technical Assistance Programme was made up of one subregional project (Central America), three regional projects (Africa, Asia and Latin America and the Caribbean) and an inter-regional one, fully financed by the corresponding UNDP programmes. Under present conditions, such a comprehensive programme would be impossible to set up, although, paradoxically, the need for technical assistance has substantially increased since the completion of the Uruguay Round.

38. Funds for the technical cooperation activities described in this report will need to be mobilized by developing countries and economies in transition from a variety of sources. Bilateral or multilateral country technical cooperation programmes are one possibility. Another approach which could be explored is funding from financial institutions (such as regional development banks), as part of their own technical cooperation programmes or as part of programmes related directly to specific loans (e.g.,structural adjustment loans, investment feasibility studies). Payment for services by the developing countries' private sector, where they might be obtaining information useful and/or necessary for the identification and development of specific business propositions, is another option. Another approach that might also be explored

would perhaps be the setting up of a plurilateral trust fund, with funds from some of the more developed developing countries, under the general objectives of cooperation among developing countries. It should be noted that an UNCTAD trust fund has been established based on the recommendations of the UNCTAD Standing Committee on Developing Services Sectors, to support technical assistance activities on services. This is in addition to the CAPAS project in Africa which is supported by both governmental and private donors.[13]

III. CONCLUSIONS AND RECOMMENDATIONS

39. The fact that the WTO Agreements involve an unprecedented increase of obligations for the majority of developing countries has important implications for their future trade and development strategies, as well as for their participation in the international trading system:

(a) These obligations are generally oriented towards equalizing basic conditions for competition of the WTO members in the international trade. Although many agreements have provisions on differential and more favourable treatment with regard to developing countries (and the least developed countries, in many cases, are totally exempt from obligations), the basic thrust of new obligations is that they assume the majority of developing countries are fully equipped to compete in world markets, and that their Governments have the administrative capacity to fulfil their obligations and effectively pursue their interests in the WTO framework. The adoption of the WTO agreements implies major institutional changes within the Governments, including elaboration of new legislation such as that in the area of anti-dumping and countervailing measures.

(b) An active pursuit of trade rights will also depend on a country's ability not only to use the WTO dispute settlement mechanism as a last resort in the case of a trade conflict, but to take full advantage of the relevant implementing legislation, regulations and administrative procedures of its trading partners.

40. In order to participate effectively in the post-Uruguay Round trading system, developing countries and economies in transition will need a substantial adaptation and institution building which should also be supported by technical cooperation. At present, the majority of developing countries and economies in transition do not have the required institutional capacities and structures that would enable them to use the WTO system as a principal instrument of their trade policies. This situation will also affect directly their ability to meet the present and future obligations under the WTO framework. The rapidly unfolding international trade agenda, which will obviously intrude deeper into domestic policies, is another reason why such efforts are necessary and urgent.

41. The present technical cooperation needs and requirements in the area of international trade are vast, and resources limited. The various international organizations involved must therefore work together on the basis of their particular mandates and acquired expertise. There is a need for:

(a) achieving complementarities and synergies not only between UNCTAD and WTO, but with other international, regional and sub-regional institutions, such as ITC, the World Bank, WIPO, SELA, the regional economic commissions, the regional development banks, and the regional and sub-regional integration mechanisms;

(b) seeking cooperation and financing not only from multilateral sources, but also at the bilateral and other levels, including with private foundations and private sector institutions such as Chambers of Commerce and academic

institutions. Cost-sharing of technical cooperation projects by beneficiary countries should be also pursued more actively. In UNCTAD, special efforts should be devoted to fund-raising activities in this area.

42. The basic focus of technical cooperation activities and, in particular those of UNCTAD, should be to assist developing countries and economies in transition to identify the main issues and policies concerning their integration into the international trading system in terms that would increase their economic benefits and equip them with better capacities to compete in international trade, while safeguarding their vital domestic developmental priorities and concerns. To this end, technical cooperation should concentrate on institution building. Relevant activities should be coordinated between UNCTAD and the WTO and with other relevant international organizations.

43. The basic objectives of such technical cooperation would be: (a) to improve participation of developing countries and economies in transition in the international trade policy decision-making, in particular in the WTO system, and to contribute to the formulation of adequate development-oriented national trade policies; (b) to increase their capacities in defending their rights and implementing their obligations in the area of international trade, particular by providing advice and expertise on the strengthening of national trade policy administrations and other aspects of institutional building; (c) to upgrade their capacities with regard to multilateral, regional and bilateral trade negotiations; and (d) to ensure greater access to trade information. These activities should be seen as an umbrella for national and international measures that would assist these countries to become full players and reliable partners in the international trading system, while specific components would be tailored to the particular needs of individual countries, including those countries currently in accession to the WTO. Special emphasis needs to be laid on least developed countries. Another important aspect is that activities should remain demand-driven, i.e. requests and initiatives should come from the countries concerned themselves, while the UNCTAD secretariat would, on its part, fully inform the Governments of its capabilities to provide technical assistance.

44. Technical cooperation activities should comprise measures both at the national and inter-country levels and should be supported by funding from UNDP, international financial institutions and bilateral donors.

45. UNCTAD's role in providing technical cooperation in supporting developing countries and economies in transition in the international trading system could be elaborated further, agreed at UNCTAD IX and completed by the Trade and Development Board.

ANNEX

Illustration of UNCTAD technical cooperation activities with regard to the international trading system

In accordance with its functions and intergovernmental mandates,[14] UNCTAD technical cooperation programmes and projects in the concluding phase of the Uruguay Round and in the post-Uruguay Round period have addressed the following main issues of concern and interest to developing countries and, in certain cases, to the economies in transition:

- identification and evaluation of the impact on individual countries of implementing specific WTO Agreements such as the Agreement on Agriculture, Agreement on Textiles and Clothing, Agreement on Anti-Dumping, Agreement on Subsidies and Countervailing Measures, Agreement on TRIMs, etc.;

- studies of various services sectors in developing countries and their potential contribution to the development and expansion of exports (e.g. telecommunications, financial and business services, transport, construction, audiovisual services, professional services, tourism, etc.)

- analysis of the Uruguay Round implementing legislation of individual developed countries and their impact on developing countries' trade;

- analysis of the built-in work programme in the WTO Agreements and identification of developing countries' priorities and options;

- support of developing countries' participation in the on-going WTO negotiations on services sectors (e.g. financial services, telecommunications and maritime transport);

- analysis and identification of the main problem areas and options regarding trade and environment;

- analysis of the new and emerging issues on the international trade agenda and their implications for developing countries trade and development concerns: trade and competition policy, trade and investment, etc.

- analysis and identification of the main issues involved in the accession of new countries to the WTO;

- support of the WTO accession negotiations through various activities such as identification of various scenarios of accession process; study of national legislation of an acceding country and its conformity with the WTO Agreements; assistance in the preparation of the Memorandum on the Foreign Trade Regime and other documents required in the negotiations (e.g. answers to questions from the WTO members, offers in goods and services); study of legislation and positions of the main trading partners of an acceding country; technical support such as translation of various documents both into the WTO official languages and into national languages of acceding countries;

- organization of seminars and brainstorming meetings at national, regional and inter-regional level to discuss the above issues;

- organization of advisory missions to countries concerned on specific issues of their participation (integration) in the international trading system;

- delivery of TRAINFORTRADE training packages. One such course (14 weeks) is on International Commercial Diplomacy, which encompasses a series of modules on the various components of the WTO agreements (22 modules), as well as on new trade-related issues, bilateral and regional negotiations,

  and negotiating skills and strategies. A concise, one-week course on the new multilateral trading framework is also available. Other relevant TRAINFORTRADE packages are on trade policy, trade and environment, and control of restrictive business practices;

- organization of training of officials from individual countries tailored to their specific trade policy problems through their attachment to international law firms, international consultants and UNCTAD secretariat.

- dissemination of trade information (TRAINS system) on market access conditions through CD-Roms to developing countries, economies in transition and regional groupings.

Endnotes

1. This report should be read in conjunction with the report by the UNCTAD secretariat "An analysis of the implications of the new rules deriving from the Uruguay Round Agreements on safeguards, anti-dumping, and subsidies and countervailing measures", doc. TD/B/WG.8/6 dated 7 November 1995.

2. For details, see the Trade and Development Report, 1994, Part III and "The Outcome of the Uruguay Round: an Initial Assessment", Supporting Papers to TDR 1994.

3. See: Final Report of the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries (doc. TD/B/41(1)/7 dated 5 August 1994), especially its Chapter I., Section E dealing with technical cooperation in building export capabilities and expanding market opportunities, and Chapter II, Section A related to the policies at the national level for building export capabilities. In this context, see also the report by the UNCTAD secretariat (doc. TD/B/WG.4/10 dated 3 January 1994), which describes technical cooperation requirements for enhancing the export supply capabilities of developing countries

4. See: doc. TD/B/WP/92 dated 9 October 1995, which reviews the technical cooperation activities of UNCTAD and their financing, as well as doc. UNCTAD/PSM/TCP/1, August 1995.

5. See doc. TD/B/WG.8/2 and Add.1, prepared for the first meeting of the Ad-hoc Working Group on Trading Opportunities in the New International Trading Context, as well as studies on agriculture (UNCTAD/ITD/16) and textiles (UNCTAD/ITD/17).

6. See: doc. TD/B/WG.4/10, dated 3 January 1994.

7. CAPAS stands for: "Coordinated African Programme of Assistance on Services". CAPAS focus on building policy analytical and decision-making capacity in the areas international trade in services and domestic service sector in general in the participating countries.

8. WTO doc. G/NOP/W/2/Rev.1 dated 25 September 1995.

9. For example, under the Agreement on Agriculture, the negotiations for continuing the reform process will be initiated one year before the end of the implementation period (i.e. in 1999). Under the GATS, successive rounds of negotiations are envisaged to begin not later than five years from the date of entry into force of the WTO Agreement (i.e. in 2000). Other agreements envisage different reviews which will also require certain negotiating activities such as, for example, the case of the Agreements on TRIMs, Anti-Dumping, Preshipment Inspection, Rules of Origin, Subsidies and Countervailing Measures.

10. For a detailed analysis of UNCTAD's technical assistance programs on trade, environment, and development, see TD/B/Wg.6/Misc.1.

11. For a detailed discussion, see document TD/B/EX(10)/CRP.1 "New and emerging issues on the international trade agenda". Note by the UNCTAD Secretariat. 1 March 1995. Prepared for the Tenth Executive Session of the Trade and Development Board, Geneva, 4 May 1995.

12. The Cartagena Commitment, Part III, paras. 50, 52.

13. Government of France, International Development Research Centre (Canada) and Carnegie Corporation of New York (United States).

14. The recent mandates for UNCTAD technical cooperation activities in the area of international trade were agreed at UNCTAD VII (para. 105 (9) of the Final Act) and UNCTAD VIII (para. 163 of the Cartagena Commitment) and elaborated further in the decisions by the Trade and Development Board, particularly agreed conclusions 410 (XL) and 419 (XLI) on the Uruguay Round, as well as in the Board's agreed conclusions 421 (XLI) on the policy review of UNCTAD's technical cooperation.